

REFERENCE TITLE: ASRS; service credit transfers

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2119

Introduced by
Representative Boone

AN ACT

AMENDING SECTION 38-730, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA STATE RETIREMENT SYSTEM.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 38-730, Arizona Revised Statutes, is amended to
3 read:

38-730. Charter city or ASRS retirement service credits: transfers

6 A. On application the retirement service credits of an employee of a
7 charter city that is not an employer under ASRS or an employee of an employer
8 that is an employer under ASRS whose job functions are shifted by law from
9 one employer jurisdiction to another shall be transferred to the retirement
10 system of the new employer.

B. An employee of a charter city that is not an employer under ASRS or an employee of an employer that is an employer under ASRS who becomes employed by the other employer jurisdiction may apply to have the employee's retirement service credits transferred to the retirement system of the new employer. The retirement service credits of an employee of a charter city that is not an employer under ASRS shall not be transferred unless the governing body of that city approves the transfer. The retirement service credits of an employee of an employer that is an employer under ASRS shall not be transferred unless the board approves the transfer.

20 C. The retirement system that transfers the retirement service credits
21 shall pay to the retirement system of the new employer an amount equal to the
22 present value, as of the date of the transfer, of all benefits generated by
23 the transferred service credits in the retirement system of the new employer
24 as determined by the governing board of the retirement system of the new
25 employer. The amount of any payment under this subsection shall include the
26 accumulated retirement contributions of the employee whose retirement service
27 credits are transferred.

28 D. The accumulated retirement contributions of an employee whose
29 retirement service credits are transferred that are paid to the retirement
30 system of the new employer shall not be withdrawn by the employee unless the
31 employee's employment terminates.

32 E. THE RETIREMENT SYSTEM TO WHICH THE EMPLOYEE IS TRANSFERRING SHALL
33 NOT APPLY SERVICE CREDITS TO THE EMPLOYEE'S ACCOUNT UNTIL SUCH TIME AS
34 COMPLETE PAYMENT IS MADE TO THE RETIREMENT SYSTEM TO WHICH THE EMPLOYEE IS
35 TRANSFERRING. ON COMPLETION OF THE TRANSFER PROVIDED FOR IN THIS SECTION,
36 THE EMPLOYEE'S RIGHTS IN THE RETIREMENT SYSTEM FROM WHICH THE EMPLOYEE IS
37 TRANSFERRING ARE EXTINGUISHED.